

State of Utah

Department of Natural Resources

MICHAEL R. STYLER Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA Division Director JON M. HUNTSMAN, JR. Governor

GARY R. HERBERT Lieutenant Governor

December 21, 2006

Russell A. Larson Lakeview Rock Products, Inc. P.O. Box 540700 North Salt Lake, Utah 84054-0700

Subject: Request for Replacement Bond Number 104805618, \$363,100.00,

Lakeview Rock Products, Inc., Beck Street Quarry, M/035/020, Salt Lake

County, Utah

Dear Mr. Larson:

The Division received a written request from Ms. Sylvia Carroll of St. Paul Travelers requesting the Division acceptance of surety cancellation for bond number 18898089. In the St Paul Travelers cancellation notice there is an indication that a replacement bond number 104805618 was issued effective November 1, 2006.

Since the Division has not received or approved the replacement bond number 104805618, bond number cannot be cancelled. According to the bond terms the surety must provide a ninety (90) day cancellation notice.

The notice received by the Division is considered the cancellation notice. Therefore, effective March 18, 2007, the bond in the amount of \$100,000.00 will be cancelled. The reclamation contract states the Operator must provide a replacement surety within sixty (60) days following the Division's receipt of the cancellation/termination notice.

You are hereby advised that the Division must receive a replacement form of surety in the amount of \$363,100.00 within 60 days or prior to February 13, 2007 or the Division will be forced to do any/some of the following:

- Carry out the terms of the Surety Bond
- Submit a request to the Board of Oil, Gas and Mining to withdraw the permit
- Order the cessation of mining operations
- Order immediate reclamation of all lands affected

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If you have any questions regarding this letter, please contact Beth Ericksen (801) 538-5318 or Doug Jensen at (801) 538-5382. Happy Holidays.

Sincerely,

Susan M. White

Mining Program Coordinator Minerals Regulatory Program

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SMW:BE:pb

cc: Doug Jensen, DOGM

Ms. Sylvia Carroll, St Paul Travelers, 1100 East 6600 South, ste. 500, SLC UT 84121 P:\GROUPS\MINERALS\WP\M035-SaltLake\M0350020-Lakeview\final\bondnotcancelled.doc